



Market Cues

Indian markets are likely to open flat tracking global indices and SGX Nifty.

The U.S. Index opened positive and traded in narrow range, the major averages eventually ended Thursday's trading on the unchanged line. The House of Representatives also passed a budget blueprint, paving the way for the Senate to eventually pass a tax-reform package by a simple majority. The Dow Jones Industrial Average DJIA, rose 0.3%, to close at 23,401. The S&P 500 SPX, gained 0.1%, at 2,560, while the Nasdaq Composite Index COMP, edged down 0.1%, at 6,557. NASDAQ primarily weighed down by the biotechnology sector, which corrected 2.32% on Thursday.

U.K. stocks closed higher on Thursday, tracking a positive mood across Europe after the European Central Bank extended its bond-buying program and hinted rates will stay low at least until 2019. The FTSE 100 index rose 0.5% to end at 7,487.

The India share opened on negative note but rose in the last leg of the trade to end the day at fresh highs at October expiry with Nifty50 surpassing 10,350-mark. Traders are waiting for big event today such as ECB Outcome, ICICI Bank, ITC & Maruti Suzuki Q2 Earnings. At the closing bell, BSE Sensex settled at new high of 33,147, up 0.32% for the day. While, Nifty50 closed up by 0.47% to finish at 10,344.

News Analysis

- YES Bank under-reported ₹6k-cr NPAs in FY17, Q2 PAT up 25%

Detailed analysis on Pg2

Investor's Ready Reckoner

Key Domestic & Global Indicators

Stock Watch: Latest investment recommendations on 150+ stocks

Refer Pg5 onwards

Top Picks

Company	Sector	Rating	CMP (₹)	Target (₹)	Upside (%)
Blue Star	Capital Goods	Accumulate	796	867	9.0
Dewan Housing Finance	Financials	Accumulate	603	670	11.0
Asian Granito	Other	Buy	484	570	17.7
Navkar Corporation	Other	Buy	194	265	36.5
KEI Industries	Capital Goods	Buy	326	380	16.5

More Top Picks on Pg4

Key Upcoming Events

Date	Region	Event Description	Previous Reading	Consensus Expectations
Oct 27	Euro Zone	Euro-Zone Consumer Confidence	(1.00)	
Oct 30	US	GDP Qoq (Annualised)	3.10	2.60
Oct 31	China	PMI Manufacturing	52.40	52.20
Oct 31	UK	PMI Manufacturing	55.90	56.20
Oct 31	US	Consumer Confidence	119.80	120.75

More Events on Pg7

Domestic Indices	Chg (%)	(Pts)	(Close)
BSE Sensex	0.3	105	33,147
Nifty	0.5	48	10,344
Mid Cap	0.5	85	16,334
Small Cap	0.6	97	17,257
Bankex	0.0	1	28,330

Global Indices	Chg (%)	(Pts)	(Close)
Dow Jones	0.3	71	23,401
Nasdaq	(0.1)	(7)	6,557
FTSE	0.5	39	7,487
Nikkei	0.9	206	21,946
Hang Seng	0.9	267	28,469
Shanghai Com	0.2	6	3,413

Advances / Declines	BSE	NSE
Advances	1,374	922
Declines	1,343	801
Unchanged	151	60

Volumes (₹ Cr)	
BSE	5,131
NSE	52,022

Net Inflows (₹ Cr)	Net	Mtd	Ytd
FII	6,812	349	36,879
MFs	691	8,851	95,195

Top Gainers	Price (₹)	Chg (%)
Polaris	291	20.0
Sail	77	14.4
Dbl	906	12.2
Ifci	26	8.4
Adanipower	33	7.8

Top Losers	Price (₹)	Chg (%)
Jpassociat	18	(9.9)
Ucobank	34	(4.8)
Tatacomm	678	(4.8)
Mphasis	672	(4.3)
Coromandel	488	(4.3)

As on October, 26 2017



News Analysis

YES Bank under-reported ₹6k-cr NPAs in FY17, Q2 PAT up 25%

Yes bank has reported stellar Q2 numbers, PAT saw jump of 25%, backed by growth in net interest income and fees. Its net interest income for Q2 rose by 33.5 per cent to ₹18,885cr. Other income, which includes fees and commissions rose by 35.4 per cent to ₹1,248cr. Total advances grew by 34.9 per cent to ₹1,48,675cr as of September 30, 2017.

The only concern was Asset quality, as per the RBI's assessment GNPA are under reported to the tune of ₹4176cr and ₹6355cr for FY16 & FY17.

Economic and Political News

- Pension, insurance funds can finance infrastructure: Amitabh Kant
- Government tightens screws on assets owned by deregistered companies
- 5 exclusive tourism zones under PPP mode on cards
- Bank recap plan to help deal with bloated balance sheets: S&P

Corporate News

- Bajaj Auto said it is unaffected by the Karnataka High Court ban.
- Bad loans at Yes Bank double as regulator detects under-reporting
- NDTV: Income tax department attaches the entire 29.12 % holding of promoter RRPR Holding



Quarterly Bloomberg Brokers Consensus Estimate

IOC Ltd - Oct 27, 2017

Particulars (₹ cr)	2QFY18E	2QFY17	y-o-y (%)	1QFY18	q-o-q (%)
Sales	1,04,500	80,370	30.1	1,05,434	(0.9)
EBIDTA	10,944	5,772	89.6	7,999	36.8
%	10.4	7.2		7.6	
PAT	6,079	3,121	94.7	4,548	33.6

ICICI Bank - Oct 27, 2017

Particulars (₹cr)	2QFY18E	2QFY17	y-o-y (%)	1QFY18	q-o-q (%)
PAT	2,570	3,102	(17.2)	2,049	25.4

Canara Bank - Oct 27, 2017

Particulars (₹cr)	2QFY18E	2QFY17	y-o-y (%)	1QFY18	q-o-q (%)
PAT	372	357	4.2	252	47.7

Maruti Ltd - Oct 27, 2017

Particulars (₹ cr)	2QFY18E	2QFY17	y-o-y (%)	1QFY18	q-o-q (%)
Sales	22,020	17,842	23.4	17,545	25.5
EBIDTA	3,148	3,037	3.7	2,331	35.1
%	14.3	17.1		13.3	
PAT	2,227	2,398	(7.1)	1,556	43.1

ITC Ltd - Oct 27, 2017

Particulars (₹ cr)	2QFY18E	2QFY17	y-o-y (%)	1QFY18	q-o-q (%)
Sales	9,874	9,661	2.2	9,954	(0.8)
EBIDTA	3,730	3,630	2.8	3,746	(0.4)
%	37.8	37.6		37.7	
PAT	2,598	2,500	0.4	2,560	0.02



Top Picks ★★★★★

Company	Market Cap (₹ Cr)	CMP (₹)	Target (₹)	Upside (%)	Rationale
Alkem Laboratories	22,323	1,867	2,079	11.4	Strong growth in domestic business due to its leadership in acute therapeutic segment. Alkem expects to launch more products in USA, which bodes for its international business.
Asian Granito	1,457	484	570	17.7	We expect the company would report strong profitability owing to better product mix, higher B2C sales and amalgamation synergy.
Blue Star	7,618	796	867	9.0	Favorable outlook for the AC industry to augur well for Cooling products business which is out pacing the market growth. EMPPAC division's profitability to improve once operating environment turns around.
Dewan Housing Finance	18,921	603	670	11.0	With a focus on the low and medium income (LMI) consumer segment, the company has increased its presence in tier-II & III cities where the growth opportunity is immense.
Karur Vysya Bank	7,666	127	180	41.9	Loan growth is likely to pick up after a sluggish FY17. Lower credit cost will help in strong bottom-line growth. Increasing share of CASA will help in NIM improvement.
KEI Industries	2,537	326	380	16.5	High order book execution in EPC segment, rising B2C sales and higher exports to boost the revenues and profitability
Music Broadcast	2,166	380	434	14.3	Expected to benefit from the lower capex requirement and 15 year long radio broadcast licensing.
Navkar Corporation	2,769	194	265	36.5	Massive capacity expansion along with rail advantage at ICD as well CFS augur well for the company
Siyaram Silk Mills	2,720	580	620	6.8	Strong brands and distribution network would boost growth going ahead. Stock currently trades at an inexpensive valuation.
TV Today Network	2,119	355	435	22.4	Market leadership in Hindi news genre and no. 2 viewership ranking in English news genre, exit from the radio business, and anticipated growth in ad spends by corporate to benefit the stock.
Maruti Suzuki	2,43,975	8,077	8,658	7.2	After GST, the company is expected to see higher volumes along with improving product mix. The Gujarat plant will also enable higher operating leverage which will be margin accretive.
GIC Housing	2,684	498	655	31.4	We expect loan book to grow at 24.3% over next two year; change in borrowing mix will help in NIM improvement..

Source: Company, Angel Research



Key Upcoming Events

Result Calendar

Date	Company
October 27, 2017	Maruti, J & K Bank, ICICI Bank, Canara Bank, ITC, PVR, IOC, Styrolution
October 28, 2017	ONGC

Source: Bloomberg, Angel Research

Global economic events release calendar

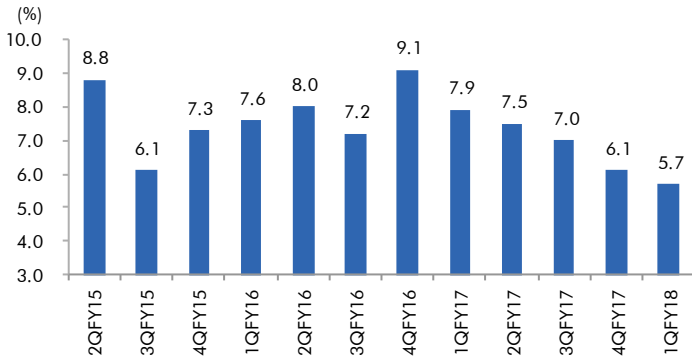
Date	Time	Country	Event Description	Unit	Period	Bloomberg Data	
						Last Reported	Estimated
Oct 27, 2017	3:30 PM	Euro Zone	Euro-Zone Consumer Confidence	Value	Oct F	(1.00)	
Oct 30, 2017	6:00 PM	US	GDP Qoq (Annualised)	% Change	3Q A	3.10	2.60
Oct 31, 2017	6:30 AM	China	PMI Manufacturing	Value	Oct	52.40	52.20
	3:00 PM	UK	PMI Manufacturing	Value	Oct	55.90	56.20
	7:30 PM	US	Consumer Confidence	S.A./ 1985= 100	Oct	119.80	120.75
Nov 01, 2017	3:30 PM	Euro Zone	Euro-Zone GDP s.a. (QoQ)	% Change	3Q A	0.70	
	11:30 PM	US	FOMC rate decision	%	Nov 1	1.25	1.25
Nov 02, 2017	2:25 PM	Germany	PMI Manufacturing	Value	Oct F	60.50	
	2:25 PM	Germany	Unemployment change (000's)	Thousands	Oct	(22.00)	
	5:30 PM	UK	BOE Announces rates	% Ratio	Nov 2	0.25	0.50
Nov 03, 2017	6:00 PM	US	Change in Nonfarm payrolls	Thousands	Oct	(33.00)	308.00
	6:00 PM	US	Unemployment rate	%	Oct	4.20	4.20
Nov 06, 2017	2:25 PM	Germany	PMI Services	Value	Oct F	55.20	
Nov 08, 2017		China	Exports YoY%	% Change	Oct	8.10	
Nov 09, 2017	7:00 AM	China	Consumer Price Index (YoY)	% Change	Oct	1.60	

Source: Bloomberg, Angel Research



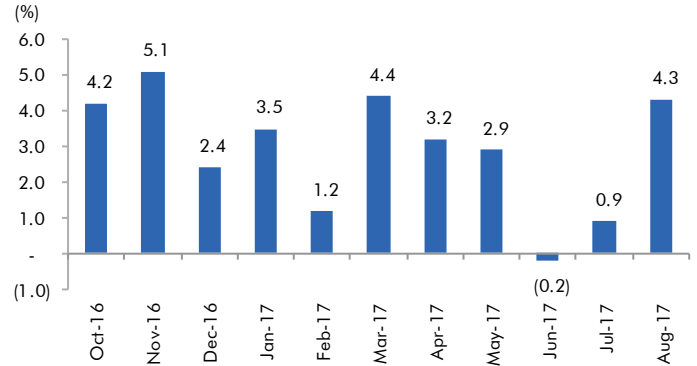
Macro watch

Exhibit 1: Quarterly GDP trends



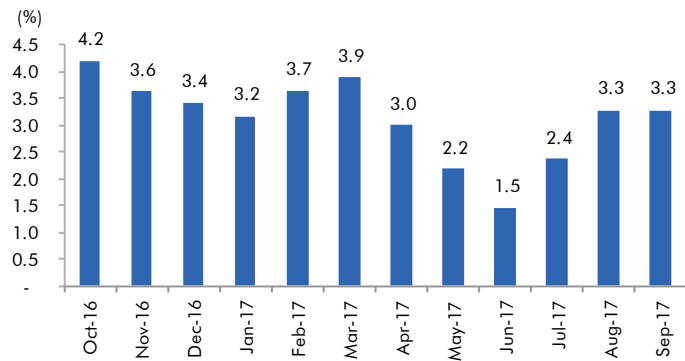
Source: CSO, Angel Research

Exhibit 2: IIP trends



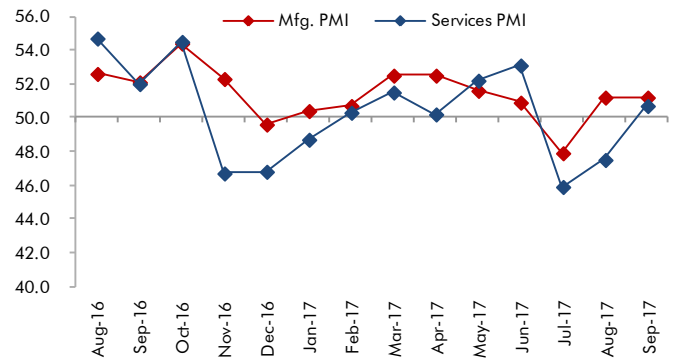
Source: MOSPI, Angel Research

Exhibit 3: Monthly CPI inflation trends



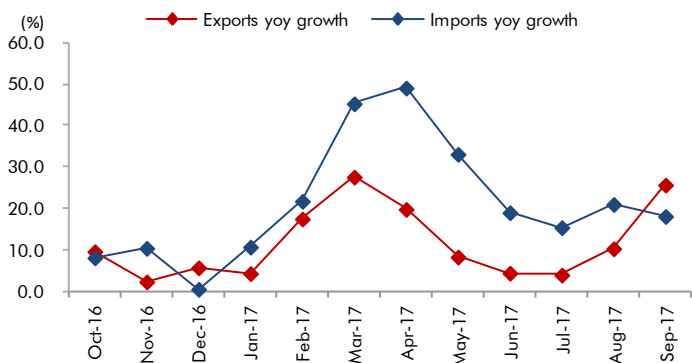
Source: MOSPI, Angel Research

Exhibit 4: Manufacturing and services PMI



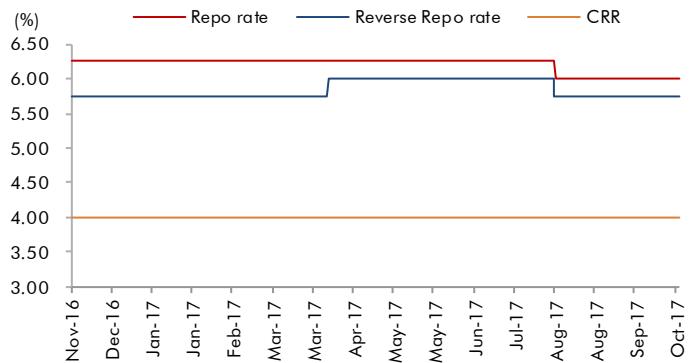
Source: Market, Angel Research; Note: Level above 50 indicates expansion

Exhibit 5: Exports and imports growth trends



Source: Bloomberg, Angel Research

Exhibit 6: Key policy rates

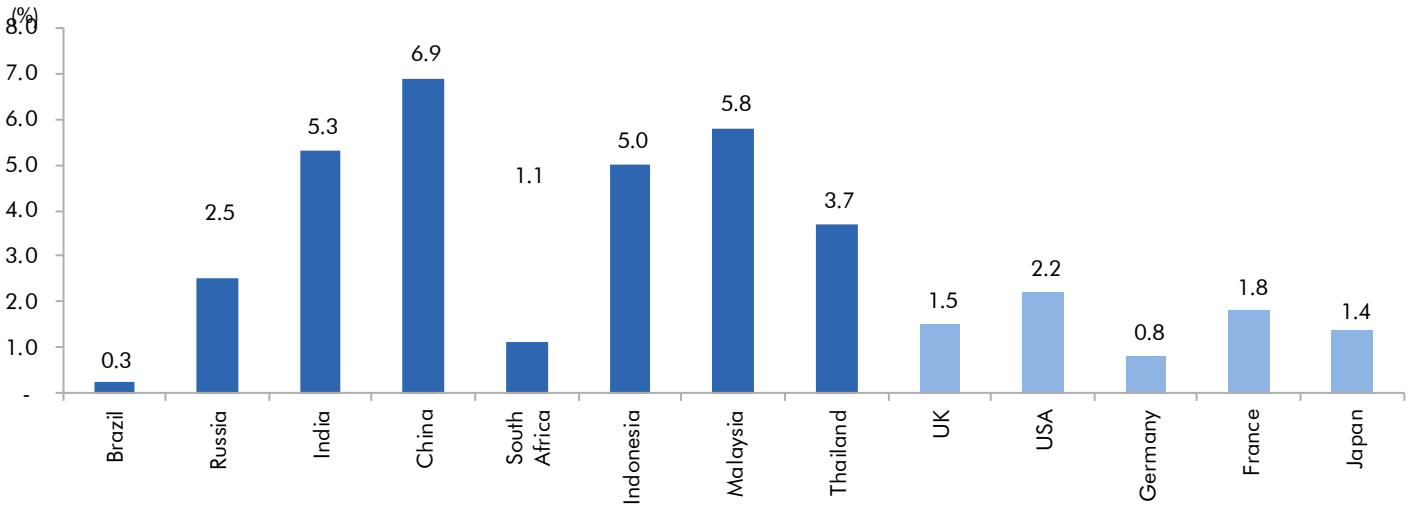


Source: RBI, Angel Research



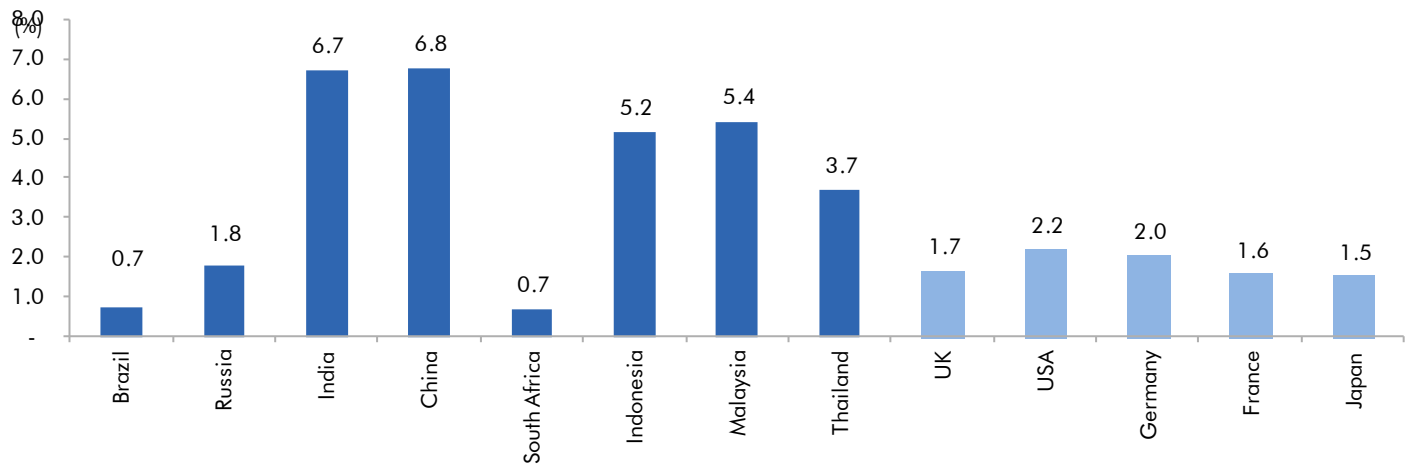
Global watch

Exhibit 1: Latest quarterly GDP Growth (% , yoy) across select developing and developed countries



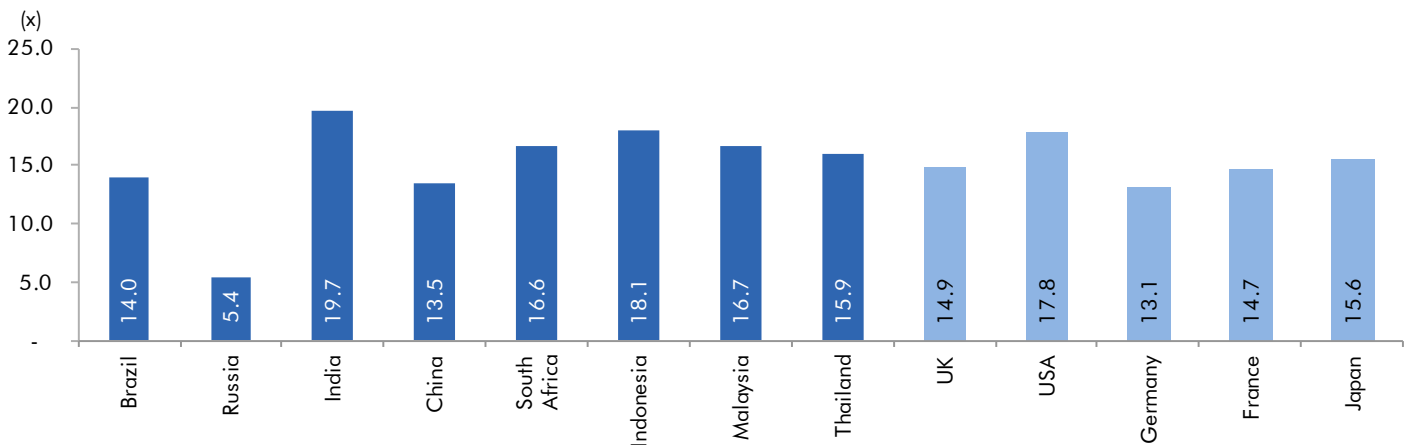
Source: Bloomberg, Angel Research

Exhibit 2: 2017 GDP Growth projection by IMF (% , yoy) across select developing and developed countries



Source: IMF, Angel Research

Exhibit 3: One year forward P-E ratio across select developing and developed countries



Source: IMF, Angel Research



Exhibit 4: Relative performance of indices across globe

Country	Name of index	Closing price	1M	Returns (%)	
				3M	1YR
Brazil	Bovespa	75,896	2.0	16.7	18.5
Russia	Micex	2,047	(1.2)	6.8	3.3
India	Nifty	10,344	3.8	3.8	18.8
China	Shanghai Composite	3,408	1.4	5.0	10.7
South Africa	Top 40	52,274	7.1	7.6	15.8
Mexico	Mexbol	48,987	(2.7)	(4.3)	2.0
Indonesia	LQ45	991	2.0	2.4	8.1
Malaysia	KLCI	1,737	(1.8)	(1.3)	4.2
Thailand	SET 50	1,086	1.5	8.8	15.6
USA	Dow Jones	23,401	5.0	7.4	28.8
UK	FTSE	7,487	2.8	0.6	7.0
Japan	Nikkei	21,740	6.6	8.9	26.1
Germany	DAX	13,133	4.3	7.5	24.8
France	CAC	5,455	3.5	6.3	23.7

Source: Bloomberg, Angel Research

Stock Watch

October 27, 2017

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
Agri / Agri Chemical																			
Rallis	Sell	249	209	4,842	1,873	2,099	15.0	15.0	9.5	10.5	26.2	23.7	4.0	3.6	15.8	16.0	2.5	2.2	
United Phosphorus	Neutral	813	-	41,291	18,922	21,949	18.0	18.5	36.2	45.6	22.5	17.8	4.7	3.9	22.7	23.8	2.3	2.0	
Auto & Auto Ancillary																			
Ashok Leyland	Neutral	131	-	38,411	23,339	27,240	10.1	10.8	4.7	6.2	28.2	21.1	5.6	5.0	20.0	23.6	1.6	1.4	
Bajaj Auto	Neutral	3,279	-	94,881	23,936	27,955	19.5	20.1	142.7	167.3	23.0	19.6	5.0	4.5	21.8	22.8	3.6	3.0	
Bharat Forge	Buy	663	875	30,857	7,637	8,755	21.7	23.2	36.1	47.3	18.4	14.0	3.3	2.8	18.5	20.8	3.9	3.3	
Eicher Motors	Neutral	31,495	-	85,737	19,043	22,837	19.5	19.9	835.4	1,019.0	37.7	30.9	14.1	10.9	40.9	37.8	4.4	3.6	
Gabriel India	Neutral	195	-	2,794	1,782	2,033	9.7	10.2	7.1	8.9	27.4	22.0	5.5	4.7	21.0	22.2	1.5	1.3	
Hero Motocorp	Accumulate	3,762	4,129	75,133	32,239	36,878	16.0	15.6	184.4	206.5	20.4	18.2	6.4	5.6	31.3	30.7	2.1	1.8	
Jamna Auto Industries	Neutral	61	-	2,448	1,441	1,662	14.4	14.8	13.9	17.6	4.4	3.5	1.2	1.0	30.0	31.0	1.7	1.4	
Mahindra and Mahindra	Neutral	1,371	-	85,180	46,971	53,816	13.6	14.0	67.7	79.8	20.3	17.2	2.9	2.6	15.0	15.9	1.7	1.4	
Maruti	Accumulate	8,077	8,658	243,975	81,825	101,245	15.0	15.0	283.5	356.0	28.5	22.7	6.2	5.1	21.9	22.4	2.7	2.1	
Minda Industries	Neutral	833	-	7,196	4,328	5,084	11.0	11.9	27.3	36.4	30.6	22.9	6.5	5.1	23.1	25.6	1.7	1.5	
Motherson Sumi	Neutral	356	-	74,870	55,937	64,445	10.8	11.4	16.9	21.1	21.0	16.9	4.7	4.8	25.2	25.4	1.4	1.2	
Tata Motors	Neutral	419	-	121,081	303,167	343,649	11.8	13.8	33.1	54.7	12.7	7.7	2.1	1.7	16.9	23.0	0.5	0.4	
TVS Motor	Neutral	721	-	34,235	13,992	16,216	9.0	9.4	17.1	20.3	42.3	35.5	11.2	8.7	29.7	27.7	2.4	2.0	
Amara Raja Batteries	Buy	691	858	11,796	6,140	7,122	14.3	15.6	29.3	39.0	23.6	17.7	4.0	3.4	17.1	19.0	1.9	1.6	
Exide Industries	Neutral	206	-	17,548	8,689	9,854	15.1	15.2	9.7	11.0	21.4	18.8	3.8	3.3	15.7	16.1	1.8	1.5	
Apollo Tyres	Neutral	239	-	12,161	15,739	17,326	13.3	14.6	20.4	26.7	11.7	9.0	1.4	1.3	20.4	26.7	1.0	0.9	
Ceat	Neutral	1,672	-	6,762	6,661	7,717	11.1	14.2	116.2	178.2	14.4	9.4	2.5	2.1	15.2	21.3	1.1	1.0	
JK Tyres	Neutral	145	-	3,296	8,318	9,239	16.2	16.4	21.0	27.5	6.9	5.3	1.4	1.1	19.1	20.4	0.8	0.7	
Swaraj Engines	Neutral	2,020	-	2,509	788	889	16.4	16.5	71.6	81.0	28.2	25.0	8.1	7.6	29.6	31.0	2.8	2.5	
Subros	Neutral	264	-	1,585	1,855	2,135	11.6	11.8	10.3	14.7	25.8	18.0	3.9	3.4	15.8	19.1	1.1	0.9	
Capital Goods																			
BEML	Neutral	1,702	-	7,087	4,286	5,194	7.1	8.2	42.9	58.1	39.7	29.3	3.3	3.0	7.6	8.7	1.7	1.4	
Bharat Electronics	Neutral	170	-	41,732	10,258	12,470	19.6	19.5	7.3	8.6	23.3	19.8	0.5	0.4	20.4	21.9	3.6	2.9	
Voltas	Neutral	534	-	17,669	6,778	8,004	9.6	11.0	17.1	22.4	31.2	23.8	7.5	6.5	17.7	19.8	2.3	1.9	
BHEL	Neutral	96	-	35,411	33,200	39,167	6.8	9.5	6.2	11.2	15.6	8.6	0.7	0.7	4.6	8.0	0.6	0.5	
Blue Star	Accumulate	796	867	7,618	5,220	6,207	6.3	6.6	16.8	22.3	47.3	35.7	9.4	8.3	19.9	23.3	1.4	1.2	
CG Power and Industrial Solutions	Neutral	82	-	5,149	6,555	7,292	7.5	7.5	-	0.8	8,215.0	102.7	1.3	1.3	0.1	1.2	0.9	0.8	
Greaves Cotton	Neutral	130	-	3,166	1,778	1,993	14.7	15.1	8.1	9.1	16.0	14.3	3.6	3.4	21.8	23.6	1.5	1.4	

Stock Watch

October 27, 2017

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
Capital Goods																			
KEC International	Buy	294	350	7,552	9,779	11,113	9.4	9.8	14.2	18.2	20.7	16.1	4.0	3.3	21.1	22.1	1.0	0.9	
KEI Industries	Buy	326	380	2,537	3,001	3,391	10.0	10.0	13.0	16.1	25.1	20.2	4.6	3.8	18.2	18.7	1.0	0.9	
Thermax	Neutral	985	-	11,740	4,125	4,747	10.3	10.8	26.7	31.5	36.9	31.3	4.1	3.8	11.2	12.0	2.6	2.2	
VATech Wabag	Accumulate	598	681	3,265	3,867	4,126	9.6	10.0	34.9	39.8	17.1	15.0	2.8	2.4	17.7	17.5	0.9	0.8	
Cement																			
ACC	Neutral	1,784	-	33,495	12,255	13,350	13.5	14.3	58.0	66.2	30.8	26.9	3.6	3.4	11.5	12.2	2.7	2.5	
Ambuja Cements	Neutral	276	-	54,834	10,250	11,450	17.5	19.0	7.2	8.3	38.4	33.3	2.8	2.6	7.0	7.8	5.1	4.5	
India Cements	Neutral	196	-	6,038	6,135	6,750	14.8	15.2	8.5	11.5	23.1	17.0	1.1	1.1	4.8	6.2	1.3	1.2	
JK Cement	Neutral	998	-	6,976	4,150	4,775	19.2	20.0	49.0	63.5	20.4	15.7	3.2	2.8	17.0	18.5	2.1	1.8	
J K Lakshmi Cement	Neutral	439	-	5,171	3,422	3,757	15.5	17.0	13.5	23.2	32.6	18.9	3.4	2.9	10.8	15.5	1.9	1.7	
Orient Cement	Neutral	166	-	3,400	2,215	3,233	16.8	17.0	5.9	6.9	28.1	24.1	2.2	2.0	10.8	10.1	2.5	1.7	
UltraTech Cement	Neutral	4,488	-	123,219	28,250	35,150	20.2	23.5	77.5	122.2	57.9	36.7	4.9	4.4	9.6	14.8	4.8	3.9	
Construction																			
KNR Constructions	Neutral	252	-	3,544	1,846	2,203	14.5	14.5	12.1	13.7	20.8	18.5	1.1	1.0	17.5	16.7	2.0	1.6	
Larsen & Toubro	Neutral	1,225	-	171,518	95,787	109,476	10.2	11.6	44.5	50.8	27.6	24.1	3.5	3.2	12.9	13.1	2.3	2.1	
Gujarat Pipavav Port	Neutral	140	-	6,746	739	842	61.6	62.7	5.1	6.2	27.4	22.7	3.4	3.3	12.7	14.9	8.6	7.4	
PNC Infratech	Neutral	181	-	4,645	2,040	2,935	13.0	13.0	6.4	9.0	28.3	20.1	0.7	0.7	9.7	12.2	2.3	1.6	
Simplex Infra	Neutral	526	-	2,603	6,012	6,619	11.6	11.7	21.1	31.0	25.0	17.0	1.7	1.6	6.5	8.6	1.0	0.9	
Sadbhav Engineering	Neutral	319	-	5,468	3,823	4,426	10.7	10.8	10.3	11.8	30.9	27.0	3.7	3.3	10.1	10.5	1.7	1.5	
NBCC	Neutral	257	-	23,099	9,099	12,706	6.4	6.4	7.3	9.6	35.3	26.8	1.6	1.2	27.5	30.5	2.4	1.7	
MEP Infra	Neutral	100	-	1,627	2,403	2,910	18.3	16.8	2.4	6.1	42.5	16.5	16.1	10.9	35.2	55.8	1.8	1.5	
SIPL	Neutral	107	-	3,774	2,060	2,390	46.8	47.7	(5.8)	(3.1)			4.0	4.6	(14.2)	(2.3)	6.6	6.2	
Engineers India	Neutral	169	-	11,415	1,795	2,611	21.1	22.4	5.9	8.1	28.7	20.9	2.1	2.0	12.9	16.1	4.7	3.1	
Financials																			
Axis Bank	Buy	484	580	116,140	32,558	35,843	3.5	3.2	27.8	41.0	17.4	11.8	1.9	1.7	11.4	14.9	-	-	
Bank of Baroda	Neutral	185	-	42,708	22,533	26,079	2.4	2.4	12.0	20.9	15.4	8.9	1.0	1.0	6.6	11.0	-	-	
Canara Bank	Neutral	423	-	25,289	17,925	20,235	2.0	2.1	18.5	36.5	22.9	11.6	0.9	0.8	3.4	6.2	-	-	
Can Fin Homes	Buy	499	2,128	6,636	586	741	3.5	3.5	107.8	141.0	4.6	3.5	1.0	0.8	24.1	25.6	-	-	
Cholamandalam Inv. & Fin. Co.	Accumulate	1,114	1,230	17,408	2,826	3,307	6.3	6.3	53.7	64.6	20.8	17.3	3.5	3.0	18.3	18.9	-	-	
Dewan Housing Finance	Accumulate	603	670	18,921	2,676	3,383	2.4	2.7	37.4	49.7	16.1	12.2	2.1	1.9	13.8	16.2	-	-	
Equitas Holdings	Buy	146	235	4,950	1,125	1,380	9.6	9.8	1.5	6.0	97.4	24.4	2.2	2.1	2.4	8.2	-	-	
Federal Bank	Neutral	119	-	23,240	4,896	5,930	2.8	3.1	5.4	7.6	22.2	15.8	1.9	1.7	8.5	11.0	-	-	

Stock Watch

October 27, 2017

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
Financials																			
GIC Housing	Buy	498	655	2,684	376	477	3.6	3.7	33.0	40.0	15.1	12.5	2.7	2.3	20.0	23.0	-	-	
HDFC Bank	Neutral	1,798	-	464,134	55,236	63,253	4.5	4.4	68.9	82.4	26.1	21.8	4.5	3.8	18.7	18.5	-	-	
ICICI Bank	Accumulate	299	315	192,003	42,361	51,378	3.6	3.9	18.4	25.7	16.3	11.6	1.8	1.7	11.3	15.0	-	-	
Karur Vysya Bank	Buy	127	180	7,666	3,289	3,630	3.7	3.9	10.8	14.1	11.7	9.0	1.4	1.3	12.5	14.7	-	-	
LIC Housing Finance	Neutral	616	-	31,065	4,895	6,332	3.4	3.7	50.7	66.8	12.1	9.2	2.4	2.0	21.7	23.8	-	-	
Punjab Natl.Bank	Neutral	213	-	45,368	23,708	25,758	2.1	2.1	5.9	16.4	36.3	13.0	1.1	1.0	3.0	8.3	-	-	
RBL Bank	Neutral	531	-	21,919	2,309	2,888	2.6	2.5	16.4	19.1	32.4	27.8	4.1	3.6	13.3	13.8	-	-	
Repro Home Finance	Buy	618	825	3,866	496	597	4.4	4.2	38.5	48.7	16.1	12.7	2.9	2.4	19.6	20.6	-	-	
South Ind.Bank	Neutral	31	-	5,648	3,195	3,567	3.0	3.1	3.0	3.8	10.4	8.2	1.0	0.9	10.5	11.9	-	-	
St Bk of India	Neutral	321	-	276,787	105,827	121,056	2.4	2.5	16.1	25.6	19.9	12.5	1.6	1.4	6.6	9.9	-	-	
Union Bank	Neutral	186	-	13,544	14,650	16,225	2.3	2.3	23.1	32.5	8.1	5.7	0.6	0.6	7.1	9.2	-	-	
Yes Bank	Neutral	332	-	75,964	11,088	13,138	3.0	2.9	84.0	99.3	4.0	3.3	0.6	0.5	16.3	16.8	-	-	
FMCG																			
Akzo Nobel India	Neutral	1,827	-	8,760	3,164	3,607	13.8	13.7	58.6	67.9	31.2	26.9	7.7	6.8	24.5	25.1	2.6	2.3	
Asian Paints	Neutral	1,191	-	114,240	17,603	20,615	18.6	18.6	2,128.9	2,543.3	0.6	0.5	11.8	9.9	28.0	28.9	6.3	5.3	
Britannia	Neutral	4,611	-	55,362	9,690	11,278	14.8	15.4	84.0	101.0	54.9	45.7	20.0	15.9	40.6	39.0	5.7	4.9	
Colgate	Neutral	1,055	-	28,704	4,420	5,074	24.9	25.3	28.6	32.8	36.9	32.2	14.6	11.8	43.8	40.5	6.2	5.4	
Dabur India	Neutral	322	-	56,695	8,346	9,344	19.6	19.9	7.8	9.0	41.3	35.8	8.3	7.5	25.2	24.8	6.4	5.6	
GlaxoSmith Con*	Neutral	4,928	-	20,724	5,072	5,760	18.2	18.4	176.3	199.2	28.0	24.7	5.9	5.4	21.2	21.7	3.4	2.9	
Godrej Consumer	Neutral	924	-	62,968	10,171	11,682	20.8	21.5	21.7	27.1	42.6	34.1	9.6	8.2	22.3	23.4	6.3	5.4	
HUL	Neutral	1,271	-	275,181	37,077	41,508	20.3	21.8	5,189.9	6,318.5	0.2	0.2	38.8	33.1	74.8	82.0	7.3	6.5	
ITC	Neutral	269	-	327,041	44,588	49,853	37.0	37.3	9.6	11.0	28.0	24.4	6.9	6.5	25.1	27.3	6.8	6.1	
Marico	Neutral	314	-	40,495	6,788	7,766	18.5	19.2	7.1	8.5	44.2	36.9	15.5	13.2	36.9	38.0	5.8	5.1	
Nestle*	Neutral	7,137	-	68,808	10,083	11,182	20.0	20.9	119.7	141.3	59.6	50.5	210.1	192.1	36.7	39.8	6.5	5.8	
Tata Global	Neutral	210	-	13,241	7,121	7,641	11.9	12.3	6.9	8.0	30.4	26.2	2.0	1.9	6.8	7.2	1.7	1.5	
Procter & Gamble Hygiene	Neutral	8,602	-	27,921	3,034	3,579	27.1	27.7	167.7	198.8	51.3	43.3	13.8	11.9	28.8	29.5	8.6	7.2	
IT																			
HCL Tech ^	Buy	871	1,014	124,262	52,342	57,053	20.9	20.9	62.8	67.6	13.9	12.9	3.1	2.7	22.4	20.6	2.0	1.8	
Infosys	Buy	948	1,179	217,640	73,963	80,619	26.0	26.0	64.4	69.3	14.7	13.7	2.9	2.7	19.7	19.6	2.4	2.1	
TCS	Neutral	2,543	-	501,080	127,403	138,870	27.6	27.6	144.5	156.0	17.6	16.3	5.2	4.9	29.7	29.8	3.6	3.2	
Tech Mahindra	Accumulate	477	533	46,570	31,015	33,496	15.0	15.0	35.6	38.1	13.4	12.5	2.3	2.1	17.0	16.3	1.3	1.1	

Stock Watch

October 27, 2017

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
					FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
IT																			
Wipro	Neutral	302	-	146,901	58,536	61,858	20.3	20.3	18.2	19.1	16.6	15.8	2.6	2.2	14.6	13.4	2.4	2.3	
Media																			
D B Corp	Neutral	360	-	6,626	2,404	2,625	30.5	31.5	23.7	26.9	15.2	13.4	3.6	3.1	23.5	22.8	2.6	2.4	
HT Media	Neutral	102	-	2,383	2,589	2,830	15.1	15.4	8.3	10.9	12.3	9.4	1.0	0.9	8.4	10.4	0.5	0.3	
Jagran Prakashan	Buy	180	225	5,875	2,541	2,835	28.5	28.7	12.7	14.1	14.2	12.7	2.9	2.5	21.3	21.4	2.2	1.9	
Sun TV Network	Neutral	815	-	32,106	3,238	3,789	51.9	55.1	30.9	38.0	26.4	21.4	7.5	6.6	30.0	31.0	9.4	7.9	
Hindustan Media Ventures	Neutral	240	-	1,761	1,002	1,074	23.3	23.5	29.2	33.8	8.2	7.1	1.3	1.1	15.6	15.4	0.8	0.5	
TV Today Network	Buy	355	435	2,119	667	727	27.7	27.7	18.6	20.1	19.1	17.7	3.0	3.0	15.6	17.3	2.7	2.5	
Music Broadcast Limited	Accumulate	380	434	2,166	271	317	91.0	109.0	6.0	10.0	63.3	38.0	4.0	3.6	6.5	9.3	7.6	6.2	
Metals & Mining																			
Coal India	Neutral	292	-	181,536	82,301	91,235	17.0	18.0	17.1	20.5	17.1	14.3	3.2	3.0	45.0	55.0	1.9	1.7	
Hind. Zinc	Neutral	318	-	134,196	22,108	24,555	57.0	58.0	22.1	26.3	14.4	12.1	4.7	3.8	32.0	35.0	5.1	4.2	
Hindalco	Neutral	272	-	61,094	102,350	105,355	13.5	14.5	21.5	24.5	12.7	11.1	1.8	1.5	15.0	15.2	1.2	1.1	
JSW Steel	Neutral	261	-	63,029	64,500	68,245	21.1	21.5	20.1	21.2	13.0	12.3	2.4	2.0	-	-	1.7	1.6	
NMDC	Neutral	127	-	40,276	10,209	11,450	47.0	48.0	11.1	12.1	11.5	10.5	1.6	1.5	-	-	3.5	3.1	
SAIL	Neutral	77	-	31,637	54,100	63,555	3.0	10.0	(10.0)	1.5	-	51.1	1.0	1.0	-	-	1.6	1.3	
Vedanta	Neutral	343	-	127,444	81,206	87,345	28.0	29.0	26.5	33.5	12.9	10.2	2.9	2.5	-	-	2.3	2.0	
Tata Steel	Neutral	729	-	70,845	121,445	126,500	16.2	17.2	65.4	81.3	11.2	9.0	1.8	1.5	-	-	1.1	1.0	
Oil & Gas																			
GAIL	Neutral	461	-	78,003	53,115	52,344	14.2	15.3	30.0	31.1	15.4	14.8	1.9	1.8	-	-	1.2	1.2	
ONGC	Neutral	177	-	227,533	83,111	84,934	44.2	44.9	16.4	16.9	10.8	10.5	1.3	1.2	-	-	2.6	2.6	
Indian Oil Corp	Neutral	437	-	211,960	396,116	432,560	8.5	8.8	40.1	42.2	10.9	10.3	1.9	1.7	-	-	0.7	0.6	
Reliance Industries	Neutral	947	-	616,073	257,711	267,438	17.0	18.2	89.1	89.5	10.6	10.6	1.0	0.9	-	-	2.1	2.0	
Pharmaceuticals																			
Alembic Pharma	Buy	494	600	9,307	3,903	4,584	18.2	19.2	21.8	27.2	22.7	18.2	4.1	3.4	19.8	20.6	2.4	2.1	
Alkem Laboratories Ltd	Accumulate	1,867	2,079	22,323	6,320	7,341	17.5	19.8	72.7	96.6	25.7	19.3	4.5	3.8	16.7	18.7	3.5	2.9	
Aurobindo Pharma	Accumulate	750	823	43,927	17,086	19,478	22.1	22.0	44.7	51.4	16.8	14.6	3.7	3.0	24.7	22.7	2.7	2.3	
Aventis*	Neutral	4,176	-	9,618	2,508	2,862	16.8	16.8	139.9	153.8	29.9	27.2	4.3	3.5	23.5	25.8	3.4	2.8	
Cadila Healthcare	Reduce	483	426	49,462	11,584	13,228	20.3	20.4	18.7	21.3	25.8	22.7	5.8	4.7	24.6	22.9	4.1	3.5	
Cipla	Sell	612	458	49,279	16,619	19,437	15.4	16.2	19.7	24.3	31.1	25.2	3.5	3.1	12.0	13.2	3.1	2.7	
Dr Reddy's	Neutral	2,346	-	38,889	15,844	17,973	17.6	18.2	91.7	111.0	25.6	21.1	2.9	2.6	11.9	13.0	2.7	2.4	
GSK Pharma*	Neutral	2,511	-	21,265	3,260	3,651	15.0	18.0	46.1	58.6	54.5	42.8	11.2	11.5	20.0	26.5	6.4	5.8	
Indoco Remedies	Sell	264	153	2,433	1,154	1,310	14.9	14.9	11.3	12.7	23.4	20.8	3.3	2.9	15.0	15.0	2.2	1.9	

Stock Watch

October 27, 2017

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
Pharmaceuticals																			
Ipca labs	Accumulate	504	540	6,355	3,593	4,022	14.5	15.5	19.4	25.2	26.0	20.0	2.4	2.1	9.5	11.2	1.8	1.6	
Lupin	Buy	997	1,467	45,049	18,657	21,289	21.3	23.3	52.8	66.7	18.9	15.0	2.9	2.4	16.3	17.5	2.4	2.0	
Natco Pharma	Accumulate	979	1,057	17,073	1,886	2,016	32.3	29.5	23.2	22.0	42.3	44.4	8.9	7.8	20.9	17.6	8.9	8.3	
Sun Pharma	Accumulate	531	558	127,388	32,899	36,451	26.9	25.4	31.6	32.3	16.8	16.4	3.0	2.6	18.7	18.8	3.5	3.0	
Syngene International	Accumulate	510	557	10,209	1,402	1,823	32.8	36.0	15.9	20.7	32.2	24.7	6.0	4.9	18.7	20.0	7.3	5.6	
Power																			
Tata Power	Neutral	82	-	22,220	32,547	33,806	20.5	20.5	4.7	5.4	17.5	15.4	1.7	1.4	10.5	10.5	1.7	1.6	
NTPC	Neutral	185	-	152,252	86,070	101,246	28.3	30.7	12.9	16.2	14.3	11.4	1.5	1.4	10.6	12.4	3.1	2.8	
Power Grid	Accumulate	212	223	110,910	29,183	32,946	89.7	90.0	18.0	20.8	11.8	10.2	2.0	1.8	17.7	18.2	7.7	7.2	
Real Estate																			
Prestige Estate	Neutral	307	-	11,522	4,607	5,146	21.0	22.2	7.9	9.8	38.9	31.4	2.4	2.2	10.3	12.0	3.7	3.3	
MLIFE	Accumulate	462	522	2,370	487	590	12.3	17.8	21.0	31.2	22.0	14.8	1.2	1.1	5.2	7.4	3.6	2.9	
Telecom																			
Bharti Airtel	Neutral	511	-	204,087	97,903	105,233	36.0	36.3	9.3	11.1	54.9	46.2	2.7	2.5	5.0	5.6	3.0	2.8	
Idea Cellular	Neutral	97	-	34,914	35,012	37,689	27.1	27.7	(4.4)	(2.7)			1.5	1.6	(6.8)	(4.6)	2.3	2.1	
zOthers																			
Abbott India	Neutral	4,307	-	9,152	3,244	3,723	14.9	16.1	167.5	209.4	25.7	20.6	5.7	4.7	23.7	24.8	2.5	2.1	
Asian Granito	Buy	484	570	1,457	1,169	1,286	12.5	12.5	16.0	19.7	30.3	24.6	3.2	2.9	10.7	11.6	1.5	1.3	
Bajaj Electricals	Neutral	389	-	3,945	4,646	5,301	6.7	7.6	16.1	22.3	24.1	17.4	3.9	3.4	16.4	19.2	0.8	0.7	
Banco Products (India)	Neutral	217	-	1,552	1,530	1,695	13.2	12.7	19.0	20.0	11.4	10.9	1.8	1.6	0.2	0.2	0.9	102.7	
Coffee Day Enterprises Ltd	Neutral	220	-	4,532	3,494	3,913	17.4	18.0	4.8	5.7	-	38.6	2.0	1.9	-	0.1	1.8	1.5	
Elecon Engineering	Neutral	71	-	791	171	201	15.0	16.2	36.0	43.0	2.0	1.6	0.2	0.2	0.1	0.1	4.0	3.4	
Garware Wall Ropes	Neutral	907	-	1,986	928	1,003	15.2	15.2	39.4	43.2	23.0	21.0	3.8	3.2	16.5	15.4	2.0	1.8	
Goodyear India*	Neutral	808	-	1,863	1,717	1,866	11.8	12.3	47.9	49.8	16.9	16.2	2.6	2.3	15.6	15.7	0.8	111.7	
Hitachi	Neutral	2,448	-	6,655	2,355	2,715	10.3	10.8	49.0	60.9	50.0	40.2	11.7	9.2	0.2	0.2	2.9	2.5	
HSIL	Neutral	419	-	3,028	2,240	2,670	14.6	15.0	17.0	22.0	24.6	19.0	2.0	1.9	0.1	0.1	1.6	1.3	
Interglobe Aviation	Neutral	1,168	-	42,241	22,570	27,955	14.2	15.0	63.6	81.8	18.4	14.3	9.7	8.2	0.5	0.6	1.6	1.2	
Jyothy Laboratories	Neutral	371	-	6,739	1,781	2,044	14.1	15.0	9.4	10.5	39.7	35.3	8.4	7.9	0.2	0.2	4.0	3.4	
Linc Pen & Plastics	Neutral	256	-	378	420	462	9.3	9.3	15.3	17.1	16.7	14.9	2.8	2.9	16.9	19.5	1.0	0.9	
M M Forgings	Neutral	837	-	1,011	542	642	20.1	21.0	41.6	56.8	20.1	14.7	2.8	2.4	0.1	0.2	2.3	2.0	
Mirza International	Neutral	160	-	1,922	1,148	1,285	18.0	18.0	8.0	9.4	19.9	17.1	3.3	2.8	16.3	16.1	1.8	1.6	
Navkar Corporation	Buy	194	265	2,769	561	617	41.5	41.5	11.5	12.7	16.9	15.3	1.8	1.6	10.5	10.4	5.6	4.9	
Nilkamal	Neutral	1,607	-	2,398	2,317	2,525	11.4	11.1	96.0	105.0	16.7	15.3	2.8	2.5	0.2	0.2	1.0	0.9	

Stock Watch

October 27, 2017

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
zOthers																			
Parag Milk Foods	Neutral	270	-	2,269	1,987	2,379	7.6	9.0	12.4	18.3	21.8	14.7	3.1	2.7	8.2	13.2	1.3	1.1	
Radico Khaitan	Neutral	207	-	2,750	1,811	1,992	13.2	13.2	8.1	8.8	25.5	23.5	2.6	2.8	10.1	12.0	1.8	1.7	
Relaxo Footwears	Neutral	520	-	6,241	1,981	2,310	13.7	14.5	12.0	15.5	43.3	33.5	8.4	6.8	0.2	0.2	3.2	2.8	
Siyaram Silk Mills	Accumulate	580	620	2,720	1,769	1,981	12.7	12.7	113.1	131.1	5.1	4.4	0.8	0.7	15.5	15.5	1.7	1.5	
Styrolution ABS India*	Neutral	1,002	-	1,762	1,800	1,980	8.0	8.1	42.0	46.2	23.9	21.7	2.7	2.4	0.1	0.1	1.1	1.0	
Surya Roshni	Neutral	337	-	1,478	4,870	5,320	7.7	7.8	22.8	28.1	14.8	12.0	2.0	1.7	0.1	0.1	0.5	0.5	
TVS Srichakra	Neutral	3,060	-	2,343	2,729	2,893	12.7	12.5	248.5	265.0	12.3	11.6	3.5	2.8	0.3	0.3	0.9	0.8	
Visaka Industries	Neutral	672	-	1,067	1,104	1,214	12.1	12.6	31.0	37.9	21.7	17.8	2.6	2.4	0.1	0.1	1.2	1.1	
VIP Industries	Accumulate	279	300	3,942	1,450	1,693	10.4	10.5	6.5	7.8	42.6	35.7	9.0	7.9	21.1	22.1	2.7	2.3	
Navin Fluorine	Neutral	726	-	3,579	945	1,154	22.4	22.6	28.7	34.8	25.3	20.9	4.2	3.6	-	-	3.3	2.6	

Source: Company, Angel Research; Note: *December year end; #September year end; &October year end; Price as on October 26, 2017



Research Team Tel: 022 - 39357800

E-mail: research@angelbroking.com

Website: www.angelbroking.com

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